# ARIZONA LABOR MARKET INFORMATION NEWSLETTER

Vol. XII No. 10
October 1988

## Unemployment Rate

Seasonally Adjusted
August*

| | |
|---|---|
| ARIZONA | 6.7% |
| Maricopa County | 5.3% |
| Pima County | 5.3% |
| UNITED STATES | 5.6% |

## Consumer Price Index

U.S. - July 1988
Base = 1982-84

| | |
|---|---|
| Wage Earner/Clerical Worker - | 117.2 |
| % Chg. Year Ago | 4.0 |
| All Urban - | 118.5 |
| % Chg. Year Ago | 4.1 |

---

Phoenix - 2nd Qtr 1988
Base = 1982-84

| | |
|---|---|
| All Urban - | 119.9 |
| % Chg. Year Ago | 3.8 |

---

Tucson - 2nd Qtr 1988
Base = 1982-84

| | |
|---|---|
| All Urban - | 119.8 |
| % Chg. Year Ago | 0.9 |

*Preliminary

## *In the October Issue:*

Arizona Experiment Sparks Debate on Vocational Education Disclosure 2

LMI Publications -- Hot off the Press 7

The Arizona Labor Force in August 7

Arizona Labor Force Statistics 9

New Developments 14

*LABOR MARKET INFORMATION*
*Site Code 733A*
*P.O. Box 6123*
*Phoenix, Arizona 85005-6123*
*(602) 255-3871*

Brent Fine, Editor
Linda Van Calcar, Word Processor

Arizona Department of Economic Security
— Moving People Toward Self-Sufficiency

# Arizona Experiment Sparks Debate on Need for Voc Ed Disclosure

Should students be told about a vocational education institution's success in placing graduates in well-paying jobs? Is it possible to accurately measure the improve-ment of a student's economic circumstances after taking vocational education courses? Is it worth the cost of requiring disclosure of placement success? These are tough, as well as controversial, questions. Nevertheless, the Arizona Legislature attempted in 1985 and 1986 -- in the form of Senate Bill 1352 -- to find some answers.

The law said: "The Center for Vocational Education (within Northern Arizona University's Center for Education Excellence) shall: By the end of each calendar year publish and distribute a report of the placement rates and average salaries earned by persons completing vocational programs in this state. ..." The legislation sought to make vocational education programs more accountable for their budgets and required that potential students be given more consumer information on each school's vocational training.

An innovative approach was used to obtain this information. In cooperation with the Arizona Department of Economic Security's Research Administration, a staff member of the Governor's Office arranged to have tapes listing Social Security numbers of vocational education program completers matched against employment earnings reports of the Unemployment Insurance (UI) program. The Center for Vocational Education collected tapes from every Arizona public and private institution with 25 or more completers of vocational education programs. The center then published a final report on the findings, listing the results for each institution.

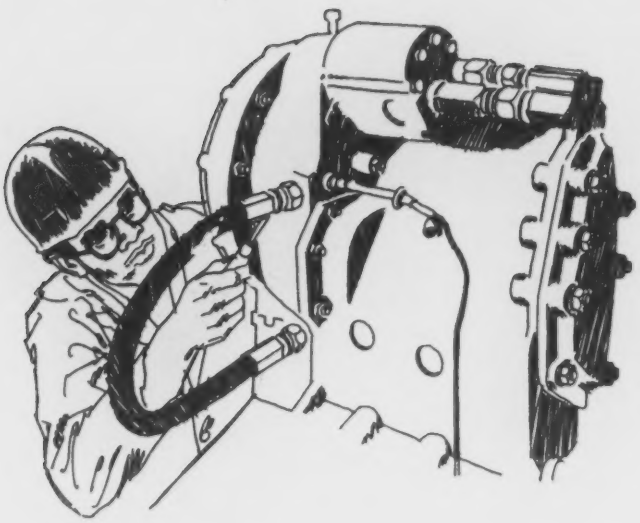
The report, A Study of Public and Private Post-Secondary Institution Vocational Education Program Completers, was released with limited circulation in June 1986. The circulation was limited because the Legislature's funding of $14,000 for the study was well below the actual cost of $50,000, the Center for Vocational Education says, which required the Center to use other funds to complete the work and reduced the number of available copies.

Was the study a success? Certainly the reduced distribution prevented it from being used extensively by vocational education consumers. Whether or not it made Arizona post-secondary vocational education more accountable for funding is also open to question. At a minimum, some lessons were learned from the experiment that may influence future attempts to provide consumer information about vocational education in Arizona or in other states.

**Outcome-Oriented Standards**

Outcome-based evaluation of vocational education is a practice whose time has come. Support for that assertion is evident in national employment training legislation, especially in the Job Training Partnership Act (JTPA). The JTPA requires training suppliers to meet objective, outcome-oriented performance standards. Some of the JTPA standards include placement rates, retention rates, costs per placement, average wage at placement, and welfare placement rates.

This performance information, however, is seldom made available to potential consumers of vocational training. Instead, the information is used by JTPA program administrators and private industry councils



to assist them in choosing sources of occupational training for their program clients. Direct disclosure to training consumers is not intended for these measures. Arizona's disclosure experiment, therefore, was unique. It applied to anyone in the employment training/vocational education business who had reason to evaluate training programs.

**A Private Sector Assessment**

A recent issue paper from MPR Associates of Berkeley, Calif., Information Disclosure In Postsecondary Vocational Education: Possibilities and Practices, focuses on the issue of vocational training consumer information, including experience from the Arizona experiment. The report, written by Cynthia L. Brown and Susan P. Choy, was prepared for the Policy Conference on Outcome-Based Policy Options for Vocational Education, sponsored by the National Assessment of Vocational Education.

The paper's opening paragraph emphasizes a need for consumer information on vocational education. "Economists and policy makers have long recognized the potential benefits of information disclosure. The efficiency of any market depends on consumers having full information about the quality and expected performance of what they buy. Only when consumers know what they will get for their money can they encourage the production of the best products through their patronage. Yet in many markets, consumers are poorly informed about the quality of products before they buy. ..."

Of course, Brown and Choy were leading up to the value of requiring disclosure of job placement outcomes by vocational education institutions. One reason for disclosure was put this way: "If students were able to assess whether the cost of an education were (sic) justified by future employment and earning prospects, perhaps many would avoid incurring large debts they were unable to pay because they could not find adequate employment after completing school." Another value to be realized through disclosure, the authors say, is that institutions can better assess programs directly and take actions to improve those that offer no prospects for employment.

The benefits of disclosure, however, come with costs. There are—the costs of collecting and disseminating the information, as well as properly interpreting the data. In addition, there may be a social cost if in attempting to restrict admittance to only those who are more likely to find employment, institutions raise standards that exclude the disadvantaged and high-risk groups.

Brown and Choy contend there are four requirements for effective information disclosure:

- Institutions must generate relevant, reliable measures of performance that allow comparisons among programs and institutions.

- Performance information must be available to potential students.
- Students must take the information into account when making their choices.
- Institutions must change their programs in response to the information.

The most available measures of vocational outcomes, say Brown and Choy, are the completion rate, placement rate, and expected wages. These measures, however, have a number of conceptual and practical problems that should be kept in mind when using them. For example, placement rates -- defined as the percentage of completers who find jobs related to their training -- ignore the multiple goals of vocational education, which include teaching reading, writing, and mathematics. Vocational educators would prefer to be held accountable for employability -- not employment -- because employment of students is determined by many economic and personal factors, in addition to the vocational education received. Also, a single focus on placement encourages programs to admit only students who are easiest to train and place.

This last problem, frequently referred to as "creaming," has been cited as a problem of every kind of employment and training program, as well as of vocational education. The JTPA performance standards include placement as one measure of success. (The relative success of this measure depends a lot on its operational definition. A placement for a day is not as successful as a placement held for months.)

Using completion rates as another measure of success also depends on the definition of "completion." As Brown and Choy point out, completion is a measure of employability that vocational educators are more willing to accept as a measure of their success. The definition of completion, according to Brown and Choy, is the percentage of students who have earned a degree or certificate in a recognized program. In Arizona there has been as much concern for the definition of completion as there has been for the definition of placement.

Many postsecondary vocational education students do not complete entire programs, but take only a few courses to help move up on the job. Community college administrators believe their schools should receive as much credit for these students as for completers of programs. The institutions are, after all, performing a service to the community and incurring an expense, regardless of the number of completers relative to the number of enrollments, the authors say.

Another concern about completion rates, in the words of Brown and Choy, is that "a high completion rate does not necessarily mean that the program is a good one or that it should be offered at all. If the

## EARNINGS DURING 1984-85 OF COMPLETERS OF SELECTED "GENERAL NURSING" VOCATIONAL PROGRAMS IN ARIZONA*

| Institutions | Completers 1983-84 | Completers with Earnings 1984-85** | Percent with Earnings 1984-85 | Average Earnings 1984-85*** |
|---|---|---|---|---|
| Central Arizona College | 25 | 20 | 80 | $ 9,766 |
| Glendale Community College | 57 | 52 | 91 | $14,508 |
| Maricopa Technical Com. College | 57 | 49 | 86 | $ 7,743 |
| Phoenix Community College | 81 | 75 | 93 | $16,684 |
| Scottsdale Community College | 36 | 34 | 94 | $13,638 |

| | Quarterly Average Earnings of Completers | | | |
|---|---|---|---|---|
| Institutions | 1984-Q3 | 1984-Q4 | 1985-Q1 | 1985-Q2 |
| Central Arizona College | $2,430 | $3,091 | $3,924 | $3,767 |
| Glendale Community College | $1,764 | $3,999 | $5,052 | $4,802 |
| Maricopa Technical Com. College | $1,678 | $2,149 | $2,406 | $2,512 |
| Phoenix Community College | $3,100 | $4,817 | $5,217 | $4,802 |
| Scottsdale Community College | $1,408 | $3,680 | $4,485 | $4,363 |

* Data are based on Unemployment Insurance wage files from Arizona Department of Economic Security, taken from A Study Of Public And Private Post-Secondary Institution Vocational Education Program Completers, published by Arizona Center For Vocational Education, June 1986.

** Number of program completers that reported earnings in Arizona during the fiscal year July 1, 1984, through June 30, 1985. Data include part-time and short-term employment.

*** Average based on total amount earned by program completers reporting earnings of $1 or more during the fiscal year.

quality of instruction is poor, students may not be employable even if they complete the program. Furthermore, because employment opportunities depend on national and local economic conditions, the best training in the world will not guarantee employment upon completion if there are no job openings."

"It can be legitimately argued," the authors continue, "that if the demand for labor in a particular field is weak, institutions should not offer training in that area, no matter how exemplary the training or how high the completion rate. In sum, holding institutions accountable for completion does not force them to offer high quality programs or to be responsive to demand for labor in various occupations. Holding them accountable for placements does."

Finally, Brown and Choy offer that wage information would be extremely valuable to potential vocational students, but remind the reader once again that schools have not been very successful collecting information from students after they have completed their courses. It is here that the value of UI data bases becomes clear.

**Unemployment Insurance Wage Files**

UI wage files are potentially valuable because they contain quarterly wage information on nearly every individual who holds a wage or salary job in the state. This data base is a highly reliable source of placement data and more comprehensive than sample surveys, because employers must pay Unemployment Insurance taxes for all their employees, and information on individual-level employment and earnings (which can be obtained to the penny) are used to calculate benefits.

On the down side, UI wage files are limited to only those who become employed in jobs covered by Unemployment Insurance. Those who become self-employed, join the military, or take out-of-state jobs are not included in the training state's UI wage files. Another problem is that, despite having the exact quarterly wages, wage files do not indicate whether the work is part-time, full-time, or related to the training obtained. Finally, there's about a year's lag time after the completer becomes employed and creates a wage history.

**Dissemination, Student and Institutional Utilization**

Brown and Choy emphasize that broad and timely dissemination is the key to assuring usefulness of information and recommend using multiple means to dispense it -- press releases to newspapers and other media outlets, reports and other compilations of data for use in libraries; and succinct brochures in public places. Even if that is done, however, there remains a question of whether potential vocational education students would use the consumer information and if institutions would modify programs based on it.

The authors site evidence that students do use reputation of placement success as one criterion for choosing a training institution. They acknowledge, however, that other criteria may take precedence in many cases. Location and availability of financial aid are two limiting criteria, especially for students who must live at home for financial reasons. Also, if the best programs are full, some students may choose lesser-quality programs anyway.

Success of disclosure also depends on institutional response to the information. Brown and Choy cite reasons why schools might resist changes suggested by the information. The cost in new equipment and personnel when opening and closing programs is one reason; another, the difficulty in reassigning existing faculty to teach different skills. But Brown and Choy contend more disclosure of employment outcomes would force many institutions to be more responsive or risk losing their funding.

In their summary analysis of Arizona's experimental program on vocational education disclosure, Brown and Choy outline the pros and cons of using the UI wage files to determine students' financial success, the institutions' reactions to the process, and data limitations. Besides the Legislature's failure to give additional funding, the authors attribute the program's demise after only one year to a lack of an organized constituency within state government and widely publicized technical problems.

Brown and Choy conclude that improving information about the expected outcomes of vocational educational alternatives is feasible, and will likely increase student choices and the quality of postsecondary vocational education.

-Ron Simon

## LMI Publications -- Hot off the Press

*The following recently revised publications prepared by the DES Research Administration can be ordered by writing to the address on the back of this newsletter or by calling (602) 542-3871. One copy of each publication will be sent at no charge. Multiple copies are available at a nominal charge, which helps cover the cost of printing. Other DES offices can order directly from DES Supply.*

Occupational Employment Forecasts (PAL-363 to PAL-377A) are annual publications produced from information obtained through the Occupational Employment Statistics (OES) survey. The forecasts list by occupation 1988 estimates and 1989 and 1993 projections of employment levels. In addition, the number of job opportunities (openings due to growth and separations from the labor force) expected from 1988 to 1993 are given for each occupation. Individual publications are available for each county and the state as a whole.

---

Job Seeker's Guide (PAL-128), primarily designed for out-of-state job seekers, includes a brief overview of communities in Arizona and general information on housing, wages, cost of living, population, labor conditions, and climate. The book also lists Job Service offices and chambers of commerce.

---

Publication Order Form (RS-076) lists all publications currently produced by the DES Research Administration, plus price information for multiple copies. Refer to the LMI DIRECTORY for descriptions of publications.

---

Affirmative Action Planning Information (PAL-345 and PAL-346) are two publications prepared annually that contain 1987 estimates of population and labor force characteristics by sex, race, and Hispanic ethnicity. A new feature in the current editions is a table of 1987 Job Service applicants by occupational category. One publication (PAL-345) has data for Arizona, the state's metropolitan counties (Maricopa and Pima), and the major cities within those two counties. The other publication (PAL-346) includes data for non-metropolitan counties in the state.

## The Arizona Labor Force in August

The number of Arizona's unemployed increased by 4,900 in August, raising the month's unemployment rate by 0.4 percent to 6.7 percent. This is the state's highest level of unemployment in nearly two years, and it is likely to go higher in the months ahead.

Contributing to the rise were recent job losses in the Manufacturing and Services industries, in addition to seasonal unemployment, which occurs primarily among students and agricultural workers. The national unemployment rate, meanwhile, edged upward .2 percent to 5.6 percent; more than one full percent lower than the statewide rate.

The state economy in August was influenced by seasonal forces. On the up side, school employment increased as staff and faculty returned to prepare for a new semester, and Construction continued its spurt of summer activity. On the down side, tourism slowed in the northern counties as the weather cooled.

Manufacturing slacked off in August after five months of gains, and the Finance, Insurance, and Real Estate (FIRE) industry continued its downturn. Job losses in Services and Trade are considered temporary, however, and employment should increase in the coming months.

Overall, these balancing forces resulted in a moderate increase of 4,600 jobs in wage and salary employment in August.

Construction continues to be a major problem area in Arizona, although the industry had an increase of 700 jobs in August. The improvement is considered temporary because of a combination of factors -- high vacancy rates in commercial and multifamily housing sectors, slowing population growth, and anticipated higher interest rates. Overall, employment in Construction is down 6,600 from a year ago and 20,300 from its peak level in June 1986.

Employment in FIRE continued to drop for the ninth month in a row. FIRE registered a decline of 500 jobs in August, and has lost 3,400 jobs (3.7 percent) from a year ago. Job losses in FIRE occurred in all three of its sectors, with finance and insurance suffering the largest casualties. FIRE is not expected to rebound until Construction recovers.

After four months of small gains, Manufacturing lost 300 jobs in August. Job losses were recorded in both the machinery sector and in defense-related businesses. Overall, Manufacturing has responded poorly to the falling value of the dollar, which was expected to increase production and employment. If this slow response continues as expected, growth in Manufacturing employment will continue to be modest the rest of the year.

In Trade and Services, 1,900 jobs were lost due to the slowdown in summer activities. Employment in Trade fell by 1,200 with the greatest losses coming from food stores, followed by eating and drinking places. Services had a decline of 700 jobs with most of the losses taking place in hotels and lodging places, health services, and recreational businesses.

August is usually a slow month for Trade and Services. But with the complete return of school staffs in September and the beginning of the winter tourism season in October, these industries should be hiring at a healthy pace during the next few months.

School employment rose by 8,100 in August and is expected to increase further in September. The rise in educational jobs helped prevent total wage and salary employment from retreating for the month.

The outlook for the Arizona economy in the coming months is mixed, with an expected modest growth in jobs, but also higher unemployment rates. Employment increases in Trade and Services will be offset by losses in Construction, FIRE, and the aerospace sector of Manufacturing.

-Jalal Ahmad

*Because "Arizona Labor Force and Employment for Economic Assistance Programs" was unavailable for the September issue, two months of data are included in this issue. "Arizona Unemployment Insurance Activities," however, is unavailable for this issue.*

## Estimated Hours and Earnings of Production Workers in Selected Industries Arizona

| INDUSTRY | AVERAGE WEEKLY EARNINGS | | | AVERAGE WEEKLY HOURS | | | AVERAGE HOURLY EARNINGS | | |
|---|---|---|---|---|---|---|---|---|---|
| | Aug.* 1988 | July 1988 | Aug. 1987 | Aug.* 1988 | July 1988 | Aug. 1987 | Aug.* 1988 | July 1988 | Aug. 1987 |
| Manufacturing | 405.32 | 407.36 | 407.77 | 40.9 | 40.9 | 40.9 | 9.91 | 9.96 | 9.97 |
| Aircraft & Missiles | INA | INA | 526.23 | INA | INA | 42.2 | INA | INA | 12.47 |
| Food & Kindred Prod. | 330.70 | 342.95 | 402.86 | 39.7 | 40.3 | 43.6 | 8.33 | 8.51 | 9.24 |
| Primary Metals | 492.54 | 503.62 | 466.28 | 38.6 | 38.8 | 36.6 | 12.76 | 12.98 | 12.74 |
| Machinery | 416.15 | 407.13 | 394.21 | 41.0 | 41.0 | 39.9 | 10.15 | 9.93 | 9.88 |
| Copper Mining | 505.49 | 527.10 | 492.48 | 40.7 | 42.0 | 40.6 | 12.42 | 12.55 | 12.13 |
| Construction | 428.72 | 428.70 | 444.99 | 36.8 | 36.3 | 37.3 | 11.65 | 11.81 | 11.93 |
| Utilities | 659.12 | 638.73 | 620.06 | 42.8 | 42.3 | 43.0 | 15.40 | 15.10 | 14.42 |
| Retail Trade** | 248.90 | 249.83 | 249.16 | 33.5 | 33.4 | 33.4 | 7.43 | 7.48 | 7.46 |
| Wholesale Trade | 400.36 | 395.18 | 390.06 | 40.4 | 39.4 | 39.4 | 9.91 | 10.03 | 9.90 |

## Estimated Hours and Earnings of Production Workers in Selected Industries Maricopa County

| INDUSTRY | AVERAGE WEEKLY EARNINGS | | | AVERAGE WEEKLY HOURS | | | AVERAGE HOURLY EARNINGS | | |
|---|---|---|---|---|---|---|---|---|---|
| | Aug.* 1988 | July 1988 | Aug. 1987 | Aug.* 1988 | July 1988 | Aug. 1987 | Aug.* 1988 | July 1988 | Aug. 1987 |
| Manufacturing | 432.43 | 433.87 | 438.48 | 41.7 | 41.4 | 41.8 | 10.37 | 10.48 | 10.49 |
| Construction | 446.77 | 443.72 | 425.30 | 37.2 | 36.4 | 35.8 | 12.01 | 12.19 | 11.88 |
| Retail Trade** | 275.43 | 274.63 | 274.46 | 34.3 | 34.2 | 33.8 | 8.03 | 8.03 | 8.12 |
| Wholesale Trade | 426.42 | 421.30 | 393.90 | 41.4 | 40.2 | 39.0 | 10.30 | 10.48 | 10.10 |

## Estimated Hours and Earnings of Production Workers in Selected Industries Pima County

| INDUSTRY | AVERAGE WEEKLY EARNINGS | | | AVERAGE WEEKLY HOURS | | | AVERAGE HOURLY EARNINGS | | |
|---|---|---|---|---|---|---|---|---|---|
| | Aug.* 1988 | July 1988 | Aug. 1987 | Aug.* 1988 | July 1988 | Aug. 1987 | Aug.* 1988 | July 1988 | Aug. 1987 |
| Manufacturing | 379.37 | 383.90 | 355.51 | 39.6 | 39.7 | 38.7 | 9.58 | 9.67 | 9.21 |
| Copper Mining | 608.90 | 606.39 | 511.24 | 43.4 | 43.5 | 41.7 | 14.03 | 13.94 | 12.26 |
| Construction | 380.81 | 385.61 | 367.37 | 36.9 | 36.9 | 36.5 | 10.32 | 10.45 | 10.01 |
| Utilities | 575.31 | 587.44 | 579.83 | 41.3 | 41.9 | 42.0 | 13.93 | 14.02 | 13.74 |

* Preliminary.
** Excludes eating and drinking places.

NOTE: These estimates are based on a sample of full- and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

# Arizona Labor Force and Employment

**August 1988 (in thousands)**

| | Arizona | | | | |
|---|---|---|---|---|---|
| | | | | Amount Change | |
| | August* 1988 | July 1988 | August 1987 | July-August | 1987-1988 |
| **TOTAL CIVILIAN LABOR FORCE**** | 1638.9 | 1616.9 | 1683.9 | +22.0 | +55.0 |
| **Total Unemployment** | 113.7 | 108.8 | 100.7 | +4.9 | +13.0 |
| Rate | 6.9 | 6.7 | 6.4 | ---- | ---- |
| Rate (Sea. Adj.)*** | 6.7 | 6.3 | 6.1 | ---- | ---- |
| **Total Employment** | 1525.2 | 1508.1 | 1483.2 | +17.1 | +42.0 |

## The Above Labor Force Statistics Should

### NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

| | | | | | |
|---|---|---|---|---|---|
| **TOTAL WAGE AND SALARY** | 1379.6 | 1375.0 | 1360.4 | +4.6 | +19.2 |
| **Manufacturing** | 189.5 | 189.8 | 188.5 | -0.3 | +1.0 |
| Durable Goods | 146.4 | 147.1 | 146.3 | -0.7 | +0.1 |
| Stone, Clay, and Glass | 7.3 | 7.5 | 8.0 | -0.2 | -0.7 |
| Primary and Fabricated Metals | 16.1 | 16.0 | 16.0 | +0.1 | +0.1 |
| Primary Metals | 7.3 | 7.3 | 7.2 | +0.0 | +0.1 |
| Fabricated Metals | 8.8 | 8.7 | 8.8 | +0.1 | +0.0 |
| Machinery | 65.7 | 66.0 | 64.5 | -0.3 | +1.2 |
| Other Durable Goods | 57.3 | 57.6 | 57.8 | -0.3 | -0.5 |
| Aircraft and Missiles | 26.3 | 26.4 | 27.4 | -0.1 | -1.1 |
| Lumber and Wood Product (Excluding Furniture) | 8.7 | 8.9 | 8.5 | -0.2 | +0.2 |
| All Other Durable Goods | 22.3 | 22.3 | 21.9 | +0.0 | +0.4 |
| Nondurable Goods | 43.1 | 42.7 | 42.2 | +0.4 | +0.9 |
| Food and Kindred Products | 9.5 | 9.4 | 9.2 | +0.1 | +0.3 |
| Apparel | 4.6 | 4.6 | 4.7 | +0.0 | -0.1 |
| Printing and Publishing | 16.3 | 16.3 | 16.5 | +0.0 | -0.2 |
| All Other Nondurable Goods | 12.7 | 12.4 | 11.8 | +0.3 | +0.9 |
| **Mining and Quarrying** | 12.3 | 12.2 | 11.5 | +0.1 | +0.8 |
| Copper Mining | 9.2 | 9.1 | 8.5 | +0.1 | +0.7 |
| Other Mining and Quarrying | 3.1 | 3.1 | 3.0 | +0.0 | +0.1 |
| **Construction** | 97.0 | 96.3 | 103.6 | +0.7 | -6.6 |
| **Trans., Communications, & Public Utilities** | 72.8 | 72.8 | 73.0 | +0.0 | -0.2 |
| Transportation | 36.8 | 36.8 | 36.5 | +0.0 | +0.3 |
| Communications and Public Utilities | 36.0 | 36.0 | 36.5 | +0.0 | -0.5 |
| **Trade** | 341.3 | 342.5 | 335.4 | -1.2 | +5.9 |
| Wholesale Trade | 68.1 | 68.5 | 67.7 | -0.4 | +0.4 |
| Retail Trade | 273.2 | 274.0 | 267.7 | -0.8 | +5.5 |
| General Merchandise and Apparel | 41.7 | 41.8 | 42.4 | -0.1 | -0.7 |
| Food Stores | 45.2 | 45.6 | 42.4 | -0.4 | +2.8 |
| Automotive and Service Stations | 33.5 | 33.6 | 32.6 | -0.1 | +0.9 |
| Eating and Drinking Places | 97.4 | 97.5 | 94.8 | -0.1 | +2.6 |
| Other Retail Trade | 55.4 | 55.5 | 55.5 | -0.1 | -0.1 |
| **Finance, Insurance, and Real Estate** | 92.0 | 92.5 | 95.4 | -0.5 | -3.4 |
| **Services and Miscellaneous** | 355.4 | 356.1 | 343.8 | -0.7 | +11.6 |
| Hotels and Other Lodging Places | 38.1 | 38.4 | 34.6 | -0.3 | +3.5 |
| Business Services | 76.7 | 76.5 | 75.8 | +0.2 | +0.9 |
| Health Services | 91.0 | 91.2 | 86.8 | -0.2 | +4.2 |
| Other Services | 149.6 | 150.0 | 146.6 | -0.4 | +3.0 |
| **Government** | 219.3 | 212.8 | 209.2 | +6.5 | +10.1 |
| Federal | 43.2 | 43.2 | 43.8 | +0.0 | -0.6 |
| State and Local | 176.1 | 169.6 | 165.4 | +6.5 | +10.7 |
| School | 87.0 | 78.9 | 81.8 | +8.1 | +5.2 |

* Preliminary

** Labor force, unemployment, and employment are reported by place of residence.

*** Normal seasonal variations have been eliminated to reflect underlying economic trends.

**August 1988 (in thousands)**

| MARICOPA COUNTY | | | | | PIMA COUNTY | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | Amount Change | | | | | Amount Change | |
| August* 1988 | July 1988 | August 1987 | July-August | 1987-1988 | August* 1988 | July 1988 | August 1987 | July-August | 1987-1988 |
| 1019.2 | 1010.3 | 985.4 | +8.9 | +33.8 | 308.6 | 302.8 | 298.4 | +5.8 | +10.2 |
| 54.8 | 51.1 | 49.8 | +3.7 | +5.0 | 16.6 | 15.7 | 14.6 | +0.9 | +2.0 |
| 5.4 | 5.1 | 5.1 | ---- | ---- | 5.4 | 5.2 | 4.9 | ---- | ---- |
| 5.3 | 4.9 | 4.9 | ---- | ---- | 5.3 | 5.0 | 4.8 | ---- | ---- |
| 964.4 | 959.2 | 935.6 | +5.2 | +28.8 | 292.0 | 287.1 | 283.8 | +4.9 | +8.2 |

## Not Be Used for Economic Assistance Programs

**NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK**

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 911.9 | 913.2 | 899.7 | -1.3 | +12.2 | 241.1 | 238.6 | 237.2 | +2.5 | +3.9 |
| 138.3 | 138.6 | 136.8 | -0.3 | +1.5 | 30.3 | 30.3 | 31.1 | +0.0 | -0.8 |
| 107.9 | 108.6 | 107.2 | -0.7 | +0.7 | 24.6 | 24.6 | 25.5 | +0.0 | -0.9 |
| 4.8 | 5.0 | 5.2 | -0.2 | -0.4 | | | | | |
| 10.9 | 10.9 | 10.8 | +0.0 | +0.1 | | | | | |
| | | | | | | | | | |
| 52.0 | 52.4 | 51.4 | -0.4 | +0.6 | | | | | |
| 40.2 | 40.3 | 39.8 | -0.1 | +0.4 | | | | | |
| | | | | | | | | | |
| 30.4 | 30.0 | 29.6 | +0.4 | +0.8 | 5.7 | 5.7 | 5.6 | +0.0 | +0.1 |
| 6.3 | 6.3 | 6.1 | +0.0 | +0.2 | | | | | |
| 3.6 | 3.6 | 3.4 | +0.0 | +0.2 | | | | | |
| 11.4 | 11.4 | 11.8 | +0.0 | -0.4 | | | | | |
| 9.1 | 8.7 | 8.3 | +0.4 | +0.8 | | | | | |
| 0.6 | 0.6 | 0.6 | +0.0 | +0.0 | 1.8 | 1.8 | 1.6 | +0.0 | +0.2 |
| | | | | | | | | | |
| 65.0 | 64.5 | 69.5 | +0.5 | -4.5 | 18.7 | 18.6 | 19.6 | +0.1 | -0.9 |
| 50.3 | 50.2 | 50.2 | +0.1 | +0.1 | 9.5 | 9.5 | 9.5 | +0.0 | +0.0 |
| 26.8 | 26.6 | 26.3 | +0.2 | +0.5 | 4.6 | 4.6 | 4.7 | +0.0 | -0.1 |
| 23.5 | 23.6 | 23.9 | -0.1 | -0.4 | 4.9 | 4.9 | 4.8 | +0.0 | +0.1 |
| 230.3 | 230.9 | 227.9 | -0.6 | +2.4 | 56.7 | 57.0 | 54.5 | -0.3 | +2.2 |
| 54.0 | 54.1 | 54.1 | -0.1 | -0.1 | 8.3 | 8.3 | 7.7 | +0.0 | +0.6 |
| 176.3 | 176.8 | 173.8 | -0.5 | +2.5 | 48.4 | 48.7 | 46.8 | -0.3 | +1.6 |
| 26.6 | 26.6 | 27.5 | +0.0 | -0.9 | 7.2 | 7.3 | 7.3 | -0.1 | -0.1 |
| 28.8 | 28.9 | 27.1 | -0.1 | +1.7 | 7.7 | 7.9 | 7.0 | -0.2 | +0.7 |
| 20.7 | 20.8 | 20.3 | -0.1 | +0.4 | 5.8 | 5.8 | 5.4 | +0.0 | +0.4 |
| 62.4 | 62.7 | 60.7 | -0.3 | +1.7 | 17.9 | 17.8 | 17.4 | +0.1 | +0.5 |
| 37.8 | 37.8 | 38.2 | +0.0 | -0.4 | 9.8 | 9.9 | 9.7 | -0.1 | +0.1 |
| 73.2 | 73.6 | 75.5 | -0.4 | -2.3 | 12.2 | 12.3 | 12.8 | -0.1 | -0.6 |
| 239.5 | 240.7 | 231.0 | -1.2 | +8.5 | 65.9 | 65.9 | 64.0 | +0.0 | +1.9 |
| 21.5 | 21.7 | 18.8 | -0.2 | +2.7 | 6.1 | 6.3 | 6.0 | -0.2 | +0.1 |
| 61.3 | 61.2 | 60.7 | +0.1 | +0.6 | 11.0 | 11.0 | 10.9 | +0.0 | +0.1 |
| 59.9 | 60.1 | 57.0 | -0.2 | +2.9 | 19.3 | 19.4 | 18.5 | -0.1 | +0.8 |
| 96.8 | 97.7 | 94.5 | -0.9 | +2.3 | 29.5 | 29.2 | 28.6 | +0.3 | +0.9 |
| 114.7 | 114.1 | 108.2 | +0.6 | +6.5 | 46.0 | 43.2 | 44.1 | +2.8 | +1.9 |

NOTE: Prepared by the Arizona Department of Economic Security, Research Administration, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

# Nonmetropolitan Counties
# Labor Force and Employment
# August 1988

| | Apache | Cochise | Coco-nino | Gila | Graham | Green-lee | La Paz |
|---|---|---|---|---|---|---|---|
| CIVILIAN LABOR FORCE* | 15,725 | 34,050 | 42,300 | 12,525 | 8,475- | 3,000 | 5,175 |
| Total Unemployment | 2,875 | 2,850 | 3,825 | 1,500 | 900 | 300 | 500 |
| Rate | 18.3% | 8.4% | 9.0% | 12.0% | 10.6% | 10.0% | 9.7% |
| Rate (Seas. Adj.)** | 18.3% | 8.7% | 9.1% | 12.3% | 10.4% | 10.2% | 8.6% |
| Total Employment | 12,850 | 31,200 | 38,475 | 11,025 | 7,575 | 2,700 | 4,675 |

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| TOTAL WAGE AND SALARY | 15,275 | 23,975 | 37,825 | 10,400 | 5000 | 2,850 | 3,400 |
| Manufacturing | 825 | 1,250 | 2,900 | 1,300 | 225 | 75 | 325 |
| Mining & Quarrying | 25 | 100 | 175 | 1,375 | 0 | 1,600 | 50 |
| Construction | 1,025 | 1,200 | 1,725 | 575 | 200 | 200 | 175 |
| T.C.P.U. | 1,925 | 1,600 | 2,500 | 375 | 150 | 50 | 75 |
| Trade | 1,600 | 5,275 | 9,300 | 2,400 | 1,600 | 225 | 1,100 |
| F.I.R.E. | 325 | 675 | 775 | 275 | 100 | 25 | 100 |
| Services & Misc. | 4,525 | 4,500 | 10,450 | 1,850 | 900 | 125 | 800 |
| Government | 5,025 | 9,375 | 10,000 | 2,250 | 1,825 | 550 | 775 |

| | Mohave | Navajo | Pinal | Santa Cruz | Yavapai | Yuma |
|---|---|---|---|---|---|---|
| CIVILIAN LABOR FORCE* | 31,450 | 27,250 | 36,375 | 10,525 | 36,625 | 47,625 |
| Total Unemployment | 2,200 | 3,700 | 3,625 | 2,200 | 2,200 | 15,650 |
| Rate | 7.0% | 13.6% | 10.0% | 20.9% | 6.0% | 32.9% |
| Rate (Seas. Adj.)** | 7.2% | 13.3% | 9.3% | 17.7% | 6.3% | 26.3% |
| Total Employment | 29,250 | 23,550 | 32,750 | 8,325 | 34,425 | 31,975 |

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS

| | | | | | | |
|---|---|---|---|---|---|---|
| TOTAL WAGE AND SALARY | 21,850 | 20,425 | 28,050 | 8,700 | 24,600 | 24,175 |
| Manufacturing | 3,050 | 1,950 | 3,775 | 1,250 | 2,325 | 1,675 |
| Mining & Quarrying | 325 | 1,175 | 3,950 | 0 | 975 | 100 |
| Construction | 1,700 | 1,150 | 1,375 | 325 | 2,300 | 1,400 |
| T.C.P.U. | 1,275 | 1,800 | 900 | 500 | 825 | 1,100 |
| Trade | 6,300 | 4,125 | 5,125 | 3,375 | 6,725 | 7,175 |
| F.I.R.E. | 925 | 375 | 775 | 375 | 975 | 875 |
| Services & Misc. | 4,850 | 5,250 | 3,950 | 1,375 | 5,625 | 5,700 |
| Government | 3,425 | 4,600 | 8,200 | 1,500 | 4,850 | 6,150 |

* Adjusted to the Current Population Survey (CPS) to reflect place of residence.
** Seasonal adjustment not applicable for economic assistance programs.

T.C.P.U. = Transportation, Communications, and Public Utilities
F.I.R.E. = Finance, Insurance, and Real Estate

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

# Arizona Labor Force and Employment for Economic Assistance Programs

## July 1988

| County | Civilian Labor Force | Employment | Unemployment | Rate |
|---|---|---|---|---|
| Statewide | 1,616,945 | 1,508,130 | 108,815 | 6.7% |
| Apache | 15,088 | 11,876 | 3,212 | 21.3 |
| Cochise | 33,363 | 30,589 | 2,774 | 8.3 |
| Coconino | 41,651 | 37,624 | 4,027 | 9.7 |
| Gila | 12,132 | 10,620 | 1,512 | 12.5 |
| Graham | 8,325 | 7,448 | 877 | 10.5 |
| Greenlee | 2,900 | 2,595 | 305 | 10.5 |
| La Paz | 5,511 | 4,995 | 516 | 9.4 |
| Maricopa | 1,010,339 | 959,213 | 51,126 | 5.1 |
| Mohave | 30,736 | 28,642 | 2,094 | 6.8 |
| Navajo | 27,211 | 22,850 | 4,361 | 16.0 |
| Pima | 302,803 | 287,067 | 15,736 | 5.2 |
| Pinal | 35,854 | 32,389 | 3,465 | 9.7 |
| Santa Cruz | 10,345 | 8,305 | 2,040 | 19.7 |
| Yavapai | 35,804 | 33,706 | 2,098 | 5.9 |
| Yuma | 44,882 | 30,211 | 14,671 | 32.7 |

## August 1988

| County | Civilian Labor Force | Employment | Unemployment | Rate |
|---|---|---|---|---|
| Statewide | 1,638,925 | 1,525,188 | 113,737 | 6.9% |
| Apache | 15,713 | 12,839 | 2,874 | 18.3 |
| Cochise | 34,063 | 31,208 | 2,855 | 8.4 |
| Coconino | 42,288 | 38,468 | 3,819 | 9.0 |
| Gila | 12,534 | 11,030 | 1,504 | 12.0 |
| Graham | 8,486 | 7,576 | 910 | 10.7 |
| Greenlee | 3,004 | 2,697 | 307 | 10.2 |
| La Paz | 5,177 | 4,684 | 493 | 9.5 |
| Maricopa | 1,019,202 | 964,378 | 54,824 | 5.4 |
| Mohave | 31,448 | 29,245 | 2,203 | 7.0 |
| Navajo | 27,250 | 23,549 | 3,701 | 13.6 |
| Pima | 308,624 | 292,040 | 16,584 | 5.4 |
| Pinal | 36,365 | 32,752 | 3,613 | 9.9 |
| Santa Cruz | 10,511 | 8,316 | 2,195 | 20.9 |
| Yavapai | 36,620 | 34,427 | 2,193 | 6.0 |
| Yuma | 47,638 | 31,977 | 15,661 | 32.9 |

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators.

NOTE: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

# New Developments

*"New Developments" is featured each month as a service to our readers. This section is a compilation of public announcements and articles from newspapers and periodicals about events that are significant to Arizona labor markets. Due to space limitations, there is no attempt to compile an exhaustive list of events. In addition, the Arizona LMI Newsletter is not responsible for incorrect information reported from these sources.*

MANUFACTURING - **International Business Machines** will phase out 2,800 manufacturing jobs from its Tucson plant during the next 18 months. IBM is moving its production of tape drives and storage-control units to other locations in the country. Employees who are affected have a choice of taking other positions out of state or accepting a generous compensation package. The move, which was announced at the end of June, leaves IBM with 2,200 employees in Tucson; 1,700 at the Tucson Development Laboratory, and 500 in marketing and services locations in the Tucson metropolitan area. Community leaders estimate a loss of $140 million in wages and tax revenue to the Tucson economy. IBM has pledged, however, to spend millions of dollars to upgrade its manufacturing facilities to attract companies to use IBM's vacated space.

---

**Motorola** is terminating 600 positions at its Government Electronics Group in Scottsdale. More than 200 employees had accepted a voluntary severance program as of mid-October. The Motorola group said in late August that the radar systems division in Tempe would be integrated with the communications division and tactical-electronics division. The restructuring caused the transfer of 1,650 workers from the radar-systems division in Tempe to the Scottsdale site and the elimination of up to 600 jobs.

---

Several other companies around the state have also announced layoffs, citing reduced revenue as the primary reason. **Evergreen Air Center**, which refurbishes commercial aircraft, laid off 200 employees in July at its facility near Marana. ... **Coleman Products Co.**, a subsidiary of Chrysler, will close its Nogales plant by the end of the year, eliminating 250 positions. Coleman manufactures wire harnesses for Chrysler products. ... **AiResearch Tucson Division**, which produces aerospace products, eliminated 100 clerical and maintenance positions in October. ... **Phoenix Newspapers Inc.**, publisher of *The Arizona Republic* and *Phoenix Gazette*, is eliminating 100 positions from its news, advertising, circulation and business departments. ... **Hughes Aircraft Co.** has cut about 600 technical and administrative positions from its work force in Tucson due to lower anticipated missile production. The cuts represent about 8 percent of Hughes' work force. ... **NKK Corp.** of Tokyo is shutting down Great Western Silicon, a polycrystalline-silicon plant in Chandler, eliminating 34 jobs.

---

All of the manufacturing news in the state is not negative as several major businesses announced plans to begin operations in the Copper State. Helping offset the loss of Coleman Products, **DeRoyal Industries Inc.** of Knoxville, Tenn., will build a plant that will eventually employ 300 Nogales-area workers. DeRoyal Industries, which makes medical and surgical supplies, plans a three-phase expansion over the next five years, including the construction of a 40,000-square-foot sterilization plant, 200,000 square feet of manufacturing space, and warehousing and packaging buildings. ... **Digital**

**Computer Corp.** has bought a 176,000-square foot building in Tempe from GTE Corp. Digital plans to remodel the structure, located at 2010 W. 14th St., for manufacturing of rigid-media disks. The new plant is expected to employ 200 workers when it opens next fall. GTE no longer needed the building after disbanding its government group operations in Arizona. ... **Gentron Corp.**, which produces high reliability power hybrid circuits, will expand its Milwaukee, Wis., operation by adding a plant in Scottsdale that will employ approximately 100 people. ... A full-service custom injection molding and finishing business is building a plant in Casa Grande and expects to employ 250 workers within a year's time. **Mulay Plastics Inc.**, which has purchased a 100,000-square-foot building for its operations, also has plants at its home base of Addison, Ill, and in Holly Springs, Miss. ... The telemarketing and direct mail company of **Neutron Industries** plans to expand its headquarters at 7107 N. Black Canyon Highway in Phoenix after acquiring a 40,733-square-foot lot adjacent to its present facilities. The move is in anticipation of expansion of staff from 142 to 300 within the next two years. ... **Randell Manufacturing**, which makes restaurant equipment, will open a plant in Sierra Vista by the end of 1988. The Michigan-based company is expected to employ between 50 and 100 people in the near term, and eventually 300 workers, making Randell the largest private-sector employer in the city. ... **Burlington Coat Factory Warehouse Corp.**, which has 133 stores in 33 states, plans to open two retail outlets in Phoenix in 1989. Burlington stores, which average about 60,000 square feet and employ about 125 people, offer discounted women's, men's and children's clothing. ... A German bakery, **Black Forest Backerie Inc.**, plans to open in Phoenix by January. Sporting 80 varieties of breads, rolls, and pastries, the bakery expects to employ around 65 people at the bakery and one retail store.

MINING AND QUARRYING - **Magma Copper Co.** and **Newmont Mining Corp.** recently announced layoffs and transfers that will affect 300 employees. Magma is reducing its work force by 200 workers, or approximately 7 percent, at its San Manuel division. The layoff, which will decrease output from 44,000 tons to 40,000 tons of ore per day, affects hourly and salaried workers. Magma, which is also putting an underground development on hold to conserve capital, is spending $270 million to modernize and expand its San Manuel plant. Newmont plans to transfer or eliminate more than 100 positions in its Tucson geological-geophysical center in an effort to consolidate its operation in Denver. A 10-person office staff will remain in Tucson.

---

A copper mine seven miles west of Casa Grande is the site of a $19.5 million experimental program to mine copper using a process that does less environmental damage than open-pit mining. The process, called situ mining (Latin for "at the site" or "in place"), involves pumping acid down a well hundreds of feet in order to dissolve the ore, which is then pumped to the surface. The project, which is 75 percent federally funded, is a joint effort between the **U.S. Bureau of Mines** and two companies, **Asarco Inc.** of New York and **Freeport-McMoRan Gold Co.** of New Orleans.

CONSTRUCTION - The **Mesa City Council** approved plans for a $1 billion project, which will include 17 buildings ranging in size from four to 24 stories. The Fiesta Center, a 3.45 million-square-foot project, will be built on 60 acres at the southeast corner of Southern Avenue and Alma School Road. Officials hope the financial hub will give Phoenix a run

for its money when the project is completed in 2015.

---

A $200 million commercial development, which will include a 24-story building, has received approval from the Avondale City Council. The mixed-use development, being planned by Recorp Partners Inc., will also have a convention hotel facility and retail shops. The project will be located at Interstate 10 and 99th Avenue.

---

An $80 million, 600,000-square-foot office project is being developed in Phoenix by The Koll Co. and the Kansas Public Employees Retirement System. Located at the northeast corner of 25th and Dunlap avenues -- adjacent to the Crescent Hotel -- the 22-acre development will be built in four phases and includes three 6-story office buildings and one 8-story building. Construction is set to begin in early 1989.

---

Construction has begun in Tempe on a $21 million Park Bridge office building. The 162,000-square-foot structure will be part of the Fountainhead Corporate Park, a 160-acre, $400 million office park, located at Interstate 10 and Broadway Road.

---

McKesson Corp. of San Francisco has purchased 150 acres on State Route 85 and Cotton Lane to build a 450,000-square-foot distribution facility. McKesson plans to relocate its current distribution center on 27th Avenue in Phoenix to the new building, located in the master-planned community of Estrella, when construction is completed in 1991.

---

Construction will begin in January on a 350,000-square-foot retail center at the northwest corner of Bell Road and the Black Canyon Freeway. This will be the first phase of a 62.4-acre development called **Bell Canyon Pavilions**, being planned by the Kobel Cos. The Phoenix shopping center will occupy half of the $80 million project, with the rest consisting of commercial, retail, and light industrial buildings.

---

**Santa Fe Pacific Realty** will kick off development of 435,000 square feet of industrial-office space in the first part of 1989. The subsidiary of Santa Fe Southern Pacific Corp. will begin with a $6 million, 250,000-square-foot warehouse building at The Papago, a 300-acre industrial park being developed by Santa Fe north of the Papago Freeway between 43rd and 51st avenues. Santa Fe will also start building in early '89 a 115,000-square-foot project consisting of office, retail, and light industrial space at West 10 Crossroads, a mixed-use development just north of The Papago. In addition, the realty company will begin construction on a $3.5 million, 170,000-square-foot distribution building in Tempe within the Broadway Industrial Park.

---

Several major office and industrial projects for the Phoenix metropolitan area were announced or got under way in the last two months. Simmons Co. and Estes Development Co. announced they will begin construction on the **Phoenix Compass Center** within two years. The $100 million complex, to be located just northeast of Sky Harbor International Airport, will consist of offices, retail shops, and a hotel. ... Construction has begun on phase one of **Madison Square**, a $100 million, 760,000-square-foot office and industrial development located inside the Southbank Business Park at Interstate 10 and University Drive. Being built by Madison Square Development of San Diego, the first part of the project will consist of six office and industrial structures ranging in size from 20,000 to 45,000 square feet. ... **Westcor Co.** is planning a $30-40 million development next to the Anasazi Golf Course in Paradise Valley. Plans call for the 320,000-square-foot

project to consist of two 4-story office structures and a club-house/fitness center. ... Trammell Crow has begun construction on the **Forum**, a $35 million office building at 6263 N. Scottsdale Road. The three-story structure adjacent to the Scottsdale Hilton will feature exercise facilities and conference rooms.

TRANSPORTATION, COMMUNICATIONS and PUBLIC UTILITIES - **Salt River Project**, the Phoenix-based utility company, has agreed to pay $58 million to Kaiser Coal Co. to settle a dispute over a 25-year coal delivery contract. Kaiser had filed for reorganization under Chapter 11 in U.S. Bankruptcy Court more than two years ago.

TRADE - The home-improvement business has seen some changes in the Phoenix area in recent months. **HomeClub**, a wholesale chain out of San Diego, announced plans to open three stores in the Valley, where competition is already fierce. HomeClub, which charges a membership fee ($10-15), offers discounts of 15-40 percent compared to conventional home-center prices. The chain expects to employ 120 to 150 people per store. The state's oldest lumber and building supply company -- **O'Malley Cos.** -- meanwhile, announced plans to close two of its stores in metropolitan Phoenix.

---

A retail home furnishing company, **Home Express** of Hayward, Calif., is opening two stores in the Phoenix area in October. Each store, which targets higher-income individuals in the 25-45 age group, will occupy about 55,000 square feet and employ about 75 people.

---

In non-metropolitan areas there were two significant announcements recently concerning retail trade. On the negative side, **Phelps Dodge Mercantile Co.** will close a grocery and dry goods store in Douglas, and a furniture outlet in Bisbee. The shutdowns, due to weak local economies, will lay off 50 employees. On the positive side, **Wal-Mart Stores Inc.**, one of the most successful discount chains in the country, will open a 66,000-square-foot store in the Globe-Miami area. Wal-Mart expects to hire 125 workers.

---

Two shopping centers and a large retailer in the Phoenix area are scheduled for renovation and expansion projects. **Uptown Plaza**, at Central Avenue and Camelback Road, will receive $500,000 in improvements, which will include turning the northeastern corner into a minimall with room for 12 to 14 shops. **Camelback Village Square**, 7th Avenue and Camelback Road, will get $7.3 million of remodeling work. The project calls for a new grocery store, renovation of the facades of several buildings, and the addition of a "pod mall" (multitenant facility) at the site's southeastern corner. Finally, $11 million will be spent to renovate and expand **Goldwaters** at Fiesta Mall. Plans call for the existing 115,000 square feet of the department store to be remodeled, with construction of 35,000 square feet of additional retail space and a 250-car parking garage.

---

A Phoenix theater operation and a regional restaurant chain have announced ambitious expansion plans. **Harkins Theaters**, Arizona's oldest theater chain, plans a $12 million expansion that will add 73 screens by 1990 to the chain's current 15. The Scottsdale-based company expects to open six more theaters, including the state's largest complex, which will have 14 screens and the Bijou Cafe. On a larger scale, **Carl's Jr.**, which has 460 restaurants in four western states, will add 50 stores to its existing 30 in Arizona in the next five years. Forty stores will be added in the Phoenix area, and 10 in Tucson.

FINANCE, INSURANCE and REAL ESTATE - Several of the larger financial institutions operating in the state have laid off workers in recent months, a reflection of the economic problems of U.S. banks, and savings and loans. **First Interstate of Arizona** reportedly laid off 10 percent of its work force of 4,550, although company officials denied the number was that high. **Valley National Bank** reduced by 100 (300 for the year) to 6,600 the number of its employees. The state's largest financial institution said it plans to close between 30 and 50 branches in the next three years. Also, **Pima Savings** has let go 52 employees, mainly at its headquarters in Tucson. The reduction is about 5 percent of Pima's work force. And **Southwest Savings and Loan Association** cut 65 jobs in Pima and Maricopa counties earlier in the year.

---

The insurance sector in the state received good and bad news in the past few months. **Legacy Life Insurance Co.**, which operates in 26 states and has 3,100 agents, has moved its corporate headquarters to Phoenix. Legacy, which had $15 million in revenues in 1987, combined its Chicago and Omaha offices before relocating to Arizona. Legacy currently has 55 employees, but plans to hire and transfer additional staff. **Dun & Bradstreet Mountain States Plan Services**, meanwhile, closed a large part of its regional operations in Phoenix, forcing the layoff of 60 to 70 people. The company is moving its insurance-administration staff to Fresno, Calif., and Houston, but is keeping 10 to 12 employees in its marketing operation in Phoenix.

---

**Del Webb Corp.** plans to cut 231 employees (35 percent) from its work force by year end. More than half of the reduction will come from its corporate headquarters in Phoenix and the Sun City developments in the Phoenix and Tucson metropolitan areas. Webb posted a loss of $5 million in the first half of 1988, compared to a loss of $14.4 million during the same period in 1987.

---

Despite a slump in the state real estate market, announcements of new housing developments continue unabated. The 900-acre **Quiotosa Ranch RV Park Resort**, a $12 million project in Gila Bend, calls for 1,250 recreational vehicle spaces, an Old West town, restaurants, 18-hole golf course, and athletic and maintenance facilities. Already under construction is **Sun Village**, a 330-acre subdivision for retirees on Bell Road in Surprise. Four floor plans for single-family units are planned with prices ranging from $90,000 to $120,000.

---

Phoenix has been selected as the headquarters for **China International Trust and Investment Corp.** (CITIC) of Beijing, a $21 billion investment company wholly owned by the People's Republic of China. Arizona is expected to gain about $100 million in real estate transactions, according to Jack McDonnell, chief executive officer of Phoenix-based Ambanc Ltd. Ambanc formed a limited partnership with Able Mark, a subsidiary of CITIC, to purchase 142 acres at Goldfield Ranch, a 1,900-acre site in the McDowell Mountains, and the two are under contract to purchase other property in the Valley and out-of-state locations. Ambanc, which also has an office in Taiwan, spent five years courting the Chinese investors.

SERVICES and MISCELLANEOUS - **Samaritan Health Services**, Arizona's largest hospital employer, laid off 55 people and eliminated 122 positions in early September. The majority of the reduction, which affects less than 1 percent of its work force, will be at Samaritan's corporate offices in Phoenix.

---

Several companies announced in the past two months plans to construct hotels in the Phoenix area. But there was also some unsettling news for the Valley hotel industry. **Hilton Suites Inc.** said it will build a $20 million hotel at Central Avenue and Thomas Road in Phoenix. The hotel will have 225 suites and is expected to open in early 1990. ... **Ramada Inc.** will erect an eight-story, 210-room Ramada Inn at 44th and Van Buren streets in Phoenix. The hotel, expected to be completed in 1990, will be part of the 70-acre Phoenix Gateway Center. ... **Rodeway Inns International** will feature its new design concept -- stucco exterior and red-tile roof -- in a 100-room, two-story hotel, to be built at 1550 S. 52nd St. in Tempe. The hotel will be the first company-owned property built by Rodeway in seven years. Rodeway was acquired by Ramada in July. ... The **Thunderbird Resort at South Mountain**, a 169-acre, 500-room complex with an 18-hole golf course, is scheduled for completion in 1991. ... San Marcos Partnership I, general partner for the 296-room **Sheraton San Marcos Conference and Resort** in Chandler, filed for bankruptcy under Chapter 11. Kahler Corp., owners of 25 percent of the hotel, may try to buy out the Canadian partnership's interest. ... The **Hilton Pavilion Hotel** in Mesa, which previously filed for bankruptcy under Chapter 11, was sold at auction to the hotel's largest creditor, Mutual Life Insurance.

---

The Valley will be the site of **Nissan Motor Corp.**'s national training center for selling and servicing its luxury car, the Infiniti. The $5 million facility, being built at 6420 E. McDowell Road, will help train 2,000 dealership personnel in week-long sessions. **Lufthansa German Airlines**, meanwhile, will spend about $15 million to expand its training facilities at the Phoenix-Goodyear Municipal Airport. Lufthansa expects to create jobs for an additional 70 flight instructors and 30 mechanics in order to train 470 to 480 Lufthansa and other airline pilots a year. The German airline, which has been at Goodyear for 17 years, currently employs about 50 instructors at the facility.

GOVERNMENT - Construction can proceed on Maricopa County's **Southeast Regional Public Service Facility** in Mesa now that the design phase has been completed. The $17.5 million, 160,000-square-foot facility will have 16 courtrooms, 12 jury rooms, law library and cafeteria. Scheduled to be completed in 1990, the county complex will have local offices for the Board of Supervisors, Justice of the Peace, Treasurer, Adult Probation, and Facilities Management.

---

Approval has been given by the Arizona Board of Regents to build the **Goldwater Center for Science and Engineering** at Arizona State University. The $25 million center, which will be funded by a grant from the U.S. Department of Energy, will include research facilities for the College of Engineering and Applied Sciences, and the College of Liberal Arts and Sciences.

COURTS - Injuries that occur after normal working hours, if related to employment, are covered by workers' compensation benefits, the Arizona Supreme Court has decided. In ***Finnegan v. Industrial Commission***, the high court ruled that an auto mechanic injured while helping repair a co-worker's automobile after their place of work had closed was eligible for benefits. The unanimous decision overturned rulings by the state Court of Appeals and an administrative law judge for the Industrial Commission of Arizona.

Arizona Labor Market Newsletter
LABOR MARKET INFORMATION PUBLICATIONS
Site Code 733A
P.O. Box 6123
Phoenix, Arizona 85005

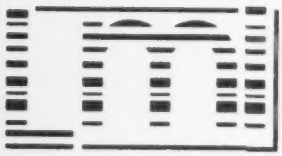
OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, $300

ADDRESS CORRECTION REQUESTED

POSTAGE & FEES PAID
EMPLOYMENT SECURITY MAIL
LAB 449
FIRST CLASS MAIL

If you do NOT desire to continue receiving this publication, please check here ☐ and return this cover to address above.

If your address has changed, please indicate change and return this cover to the address above.



This periodical is issued and printed by the Arizona Department of Economic Security as authorized by the Wagner-Peyser Act and is paid out of federal funds granted by the U.S. Department of Labor.

Statistical Reference Index
C.I.S.
4520 EW Highway
Bethesda, Maryland 20814

Reproduction of this publication for commercial use is prohibited by Section 39-121, Arizona Revised Statutes. Permission to reprint this publication, or parts of it, for nonprofit use may be granted upon written request, if credit will be given citing this publication and the Arizona Department of Economic Security.